



## TOWN OF SURFSIDE, FLORIDA

\*\*\*\*FIRST ADDENDUM-March 1, 2010\*\*\*\*

### INSURANCE BROKER (AGENT) SERVICES – RFQ #FY 2010-HR 001

#### SUBMITTED QUESTIONS/RESPONSES

1. What company currently administers the health and dependent care flexible spending accounts?

Response:

Eagles Benefits by Design, Inc.  
Stuart, Florida 34996

2. Does the FSA plan include debit cards?

Response:

Yes, optional and at a marginal fee.

3. What is the approximate estimated total annual premium for each of the benefit plans?

Response:

Health - \$660,000  
Dental – \$51,295  
Life & Accidental Death – \$18,489  
LT Disability - \$17,159  
ST Disability - \$21,363

4. What is the commission percentage for each of the plans?

Response: Unknown

5. The RFQ references Town Ordinance #2009-1543 regarding Class A, B & C business definitions. I cannot find that ordinance on the Town website. Please provide a copy of the ordinance or let me know where I can view it.

Response:

Please see the attached.

6. Under Section 1. **INVITATION /PURPOSE** your RFQ states that Services required include- evaluating insurers' financial status. Perhaps you have phrased this statement improperly as no Broker or Agency is in a position to **evaluate** an insurer's financial status. That is the function of an insurance rating agency such as A.M. Best; Standard & Poors; Moodys; Fitch Ratings; Weiss Ratings. The Broker can obtain for the Town a financial analysis by one or more of these Ratings Firms; however no Broker has the meaningful experience, or organization to evaluate the financial status of an insurer beyond what analysis is offered by these firms mentioned above. It would be important to clarify your expectations in this regard.

Response:

An insurance rating agency evaluation is considered a suitable resource for the determination of financial stability. However, if an independent rating is not readily available then please describe the broker (agent) method/procedures in place, if any to determine financial stability.

7. Under Section 3 (g) you ask for expert financial and actuarial consultation services related to the Town's employee benefit plans. We do not understand your meaning in this request. Actuarial consultation is provided by a Licensed Actuary to an insurance company. One becomes an Actuary after 8 years of University study particular to this profession. These individuals are highly compensated specialists that are employed by Insurance Companies and certainly not by Agents or Brokers in the business of health insurance and other employee benefits. We suggest that you perhaps have attached some other meaning to this Item 3 (g). There is no actuarial consultation that would provide a group of 85 employees with any specific advice or advantage whatsoever. Perhaps you have used this terminology in error and we ask for clarification.

Response:

Please remove/delete the word "actuarial" from 3(g).

8. The implication of the following statement in Section II- Plan of Action, Paragraph 4. "...will encompass the services related to insurance to be placed and serviced for the two and one-quarter year period beginning with July 1, 2010" is that the Town wishes to consider that the successful appointee will recommend replacing the current benefit plans prior to the existing renewal dates of October 1, 2010. Is that a correct interpretation and if so, how long after the mandated recommendation to the Town Commission on May 11, 2010, will the Town Commission approve the selected broker?

Response:

Due to ongoing budgetary constraints, The Town desires flexibility to lower its employee benefits as soon as it is deemed feasible. And, pursuant to Section II-Plan of Action, "following Town Commission approval the selected broker should be prepared to commence working on the employee benefit package immediately".

9. Paragraph 4 also indicates "...the initial term of service...for two and one-quarter years...until any subsequent RFQ for the same services is issued and awarded." This requires some explanation as to whether or not the "initial term of service" is in fact a professional service contract for 2 ¼ years.

Response:

Please refer to the response to question #8 above for guidance.

10. The Employee Benefit Summary that is referred to includes a Public Safety Policy Only policy with AIG. This would appear to be a Property & Casualty policy that may be provided by Brokers that have both Property & Casualty, as well as Health Policy Licenses from the State of Florida. If that is the case, is it your intention to exclude Agents/Brokers who do not have a P& C License from consideration and thereby limit the Town's opportunities?

Response:

At a minimum, a Florida Health and Life license will be necessary to service the Town. It is not the Town's intention to exclude a Florida life/health Agent/Broker (licensed a minimum of 5 years pursuant to section IV) that does not also possess a P&C license from consideration. Also, note that the public safety policy with AIG is a life insurance product which does not require a P&C license.

11. Under Section IV item 1. "...demonstrate the ability to provide full services in the State of Florida." What do you mean by the phrase "full services"?

Response:

The phrase "Full Services" primarily pertains to the ethics, duties, rights and responsibilities of a licensed Florida Health and Life Broker/Agent.

12. Will that disqualify any Broker or organization that does not have a P&C license?

Response:

Please refer to the response to question #10 above for guidance.

**13.** Section IV, item 2 “Broker ...must be licensed as a consultant by the State of Florida for insurance coverage...” I am not aware that the State of Florida has a specific license for a consultant as described in this Section IV. Kindly clarify your meaning.

Response:

Please replace the word “consultant” with the words “broker or agent”

**14.** Section V, subsection “Personnel”. “...and marketing experts...”. I do not understand the meaning of the word “marketing” to be the method whereby an organization presets its attributes, whether for products or services. Consequently, I do not understand what meaning you intend to convey in this context. Kindly elaborate.

Response:

The personnel component requests that one identify any or all individuals that would be involved with servicing the Town in any capacity.

**15.** How are the annual enrollments and status updates performed? Are you using an on-line system for this?

Response:

Open enrollment is performed annually and the selected insurance vendors are expected to make presentations, answer questions then process all initial enrollment forms under the direction of the selected Agent/Broker of record. Subsequently, new hires, terminations and qualifying events (status updates) are processed on-line by the Towns Human Resource Coordinator.

ORDINANCE NO. 09- 1543

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 3 "PURCHASING" OF THE CODE OF THE TOWN TO PROVIDE FOR ADDED SECTION 3.6 F. FOR LOCAL PREFERENCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside (the "Town") purchasing procedures (the "Purchasing Procedures") are currently provided in Ordinance No. 1467; and

WHEREAS, the Town Commission has determined it is in the best interest of the Town to improve the economic climate within the Town by contracting with local businesses in appropriate situations, as provided herein; and

WHEREAS, the Town Commission has deemed it necessary to provide a mechanism whereby local businesses may be given a reasonable preference in the procurement of certain goods and services for the Town; and

WHEREAS, the Town Commission has determined that this ordinance shall enhance the opportunity for success by local businesses in a manner which benefits the Town and its residents and creates enhanced employment opportunities for Town residents in certain circumstances.

NOW, THEREFORE, THE COMMISSION OF THE TOWN OF SURFSIDE HEREBY ORDAINS:

**Section 1. Recitals.** The above Recitals are true and correct and are incorporated herein by this reference.

**Section 2. Code Amended.** Chapter 3 "Purchasing" of the Town Code is hereby amended to adopt Section 3.6 F. Local Preferences as follows:

**Section 3-6. Purchasing limitations; effect on competitive bidding requirement.**

F. **Local Preference.** There shall be a five (5) percent local preference given to local businesses who are holders of current Town local business tax receipts for businesses which are physically located within the Town limits of Surfside and a three (3) percent local preference given to local businesses who located outside the corporate limits of the Town of Surfside but are holders of current Town local business tax receipts for businesses which are physically located within a ten (10) mile radius of the corporate limits of the Town of Surfside (hereinafter referred to as "local bidder"). Said five (5) percent local preference must be asserted by the party seeking it at the time the competitive quotation.

Ordinance No. 09-1543

bid or proposal is made and shall be calculated by the selection committee evaluating competitive quotations, bids or proposals which are governed by this section of the Code. The local preference shall not apply if the solicitation specifications of the Town so state. Further, said local preference, as described above, shall only be applied in certain situations and shall be specifically governed by the below-described limitations:

- (1) A local preference for competitive quotations, bids or requests for proposals shall only be applied when the funds to be used to purchase said items or pay for such services are general funds of the city and not funds received from the federal government, the State of Florida or Miami-Dade County. In cases of the use of those funds, no local preference shall apply.
- (2) Local preference shall not apply when the funds to be used for the purchase of such goods or the payment for such services are funds derived from grants or loans from any other governmental entity, including any taxing power approved for a special use by any other governmental agency such as tax increment financing and other approved government grants or loans.
- (3) That when local preference has been used in computing award recommendations, either for the purchase of goods or for the purchase of services, the Town Commission shall not reject the low bid solely based upon the locale of the said business, provided however, that if a local bidder has submitted a bid that comes within three (3) percent of the actual lowest bid, the bid may be awarded to the local bidder automatically, assuming it is otherwise determined to be the lowest most responsive, responsible bidder.

**Section 3. Severability.** If any section, sentence, clause or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this ordinance.

**Section 4. Inclusion in the Code.** It is the intention of the Mayor and Town Commission of the Town of Surfside, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of the Town of Surfside, Florida. The sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section", "article", or other appropriate word.

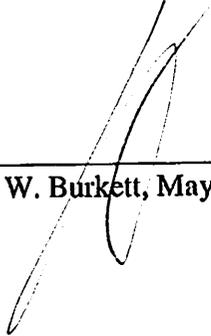
**Section 5. Conflicts.** Any and all Ordinances and Resolutions or parts of Ordinances or Resolutions in conflict herewith are hereby repealed.

**Section 6. Effective Date.** This ordinance shall become effective in ten (10) days after second reading.

**PASSED and ADOPTED** on first reading this 10 day of Nov., 2009.

**PASSED and ADOPTED** on second reading this 8 day of Dec., 2009.

Ordinance No. 09-1543

  
\_\_\_\_\_  
Charles W. Burkett, Mayor

**Attest:**

  
\_\_\_\_\_  
Debra E. Eastman, MMC  
Town Clerk

**Approved as to form and legality for the use  
and benefit of the Town of Surfside only:**

  
\_\_\_\_\_  
Lynn M. Dannheisser, Town Attorney

On Second Reading Moved by: Vice Mayor Imberman

On Second Reading Second by: Commissioner Calderon

**Vote:**

Mayor Burkett	yes <input checked="" type="checkbox"/>	no <input type="checkbox"/>
Vice Mayor Imberman	yes <input type="checkbox"/>	no <input type="checkbox"/> absent
Commissioner Calderon	yes <input checked="" type="checkbox"/>	no <input type="checkbox"/>
Commissioner Levine	yes <input checked="" type="checkbox"/>	no <input type="checkbox"/>
Commissioner Weinberg	yes <input checked="" type="checkbox"/>	no <input type="checkbox"/>

Ordinance No. 09-1543